

# What's Your Plan?

Make Sure You're Covered With Long Term Care Insurance



BEACH FINANCIAL & INSURANCE SOLUTIONS

## A Successful Future Begins With A Plan.

You may be busy building a career and raising your family. Or, maybe you're nearing retirement and looking forward to living your dreams. No matter what your situation, a successful future starts with careful planning to ensure you have the funds that will enable you to live life on your terms.

That's why, in addition to savings and investments, your financial plan should prepare you for whatever challenges life brings in the years ahead - including the potential need for long term care. If you haven't considered how the need for long term care can impact your income, your assets, your quality of life, and your family's well-being - you should.

### Top Reasons People Buy Long Term Care Insurance

1. To avoid burdening loved ones with caregiving roles
2. To have a choice of where they get care
3. To remain independent
4. To remain in, and receive care in, their own home



## What Is Long Term Care?

Nationally, 40 percent of those who are currently receiving long term care are adults, ages 18 to 64 years old<sup>1</sup>.

**Many people visualize a nursing home when they think of long term care, but long term care does not always mean institutional care.**

Instead, it is the care that you need when you can no longer perform common daily tasks by yourself - routine activities that healthy people don't give a second thought to, such as: bathing, dressing, eating, using the toilet, getting into and out of bed or a chair. The need for long term care may be due to physical limitations or disabilities resulting from injury, illness or the normal aging process. It can also be due to a cognitive impairment resulting from a stroke, for example, or Alzheimer's disease. And while such care is provided in nursing facilities, assisted-living facilities, and adult day care centers, the majority of long term care takes place in the recipient's home. Usually, it is provided by unpaid family members or friends.

## Could It Happen To Me?



**It could happen to anyone, at any time.**

Everyone is at risk — not only of having a family member in need of extended health care services, but of needing assistance themselves. Nationally, 40 percent of those who are currently receiving long term care are adults, ages 18 to 64 years old<sup>1</sup>.

Many people think only the elderly need extended health care, but the reality is that accidents and illnesses can happen to anyone, at any time, and they often occur without warning. While people may recognize long term care costs as a significant risk to their standard of living, many don't have a plan to minimize that risk.

**Planning for an extended health care event is a vital part of the plan.**

1. U.S. Dept. of Health and Human Services, National Clearinghouse for Long Term Care Information, accessed Sep. 25th, 2009

# How Much Could It Cost?

## You could spend much of your savings paying for care.

The national average cost for one year in a nursing home exceeds \$90,000. The national average cost for one year in an assisted living facility exceeds \$42,000. The national average cost for one year of home health care is approximately \$41,600<sup>1</sup>.

With the cost of care rising, are you willing to put your retirement savings at risk? A well-designed comprehensive long term care insurance policy can ensure your retirement savings are protected in the event you need care.

### Consider these facts:

It is estimated that 70% of people over the age of 65 will require some period of ongoing assistance or supervision, due to a physical or cognitive impairment<sup>2</sup>.

## How much do you think nursing home care costs in your area?

\$

## How long would you be able to pay for the type of care you may need?

Years

### Annual Long Term Care Costs



1. 2012 Mature Market Institute Survey of LTC Costs

2. U.S. Dept. of Health and Human Services, National Clearinghouse for long term care Information, accessed Sep. 25th, 2009

# How Will You Pay For Care?

## Your options may be more limited than you think...



### Government

In addition to their limitations, it's important to consider whether you want to rely on government plans to pay for your long term care needs. Both Medicare and Medicaid pay for some long term care but these programs may be inadequate for your particular situation.

#### Medicaid:

Medicaid is a state-based program that pays for a large portion of the nation's long term care expenses for those without assets or sufficient income. Most state laws require that you spend down your assets to poverty levels before you become eligible for benefits, and income limits also apply, impacting you and your family. Medicaid may also limit your options as to where you can receive care, as well as the type of care you receive.

Read more about Medicaid at [www.medicaid.gov](http://www.medicaid.gov)

#### Medicare:

Medicare, like most health insurance, is primarily meant to cover acute illnesses. It may pay some long term care expenses, but there are limitations and you must be age 65 to qualify. Some benefits are payable for the first 100 days per benefit period in a skilled nursing facility - if you enter within 30 days after a hospitalization of at least three nights, if you are receiving skilled care, and if you're continuing to get better. Keep in mind many conditions requiring long term care services do not require hospitalization or skilled care.

Read more about Medicare at [www.medicare.gov](http://www.medicare.gov)



### Health and Disability Insurance

Health insurance is intended to pay for acute care or short-term illness. It will not provide reimbursement for informal care over an extended period. Disability insurance is meant to replace your income when you are unable to work, but typically does not provide additional benefits for in-home custodial care or any facility care.



### Private / Family Support

Family and friends might care for you. Initially, this may seem like a good solution.

#### Ask yourself:

- Will they have time to help me?
- Can they provide the type of care I may need?
- Who do I want to do my bathing and toileting?
- Do I want to ask this of them?



### Self-Insure

Without coverage, you have assumed the primary financial risk for the costs of long term care.

**Relying on these options to pay for and provide long term care will put your family at risk.**

**Start planning today to ensure you get the care you need while protecting your family and your assets.**

Do you want to potentially rely on Medicare for the first 100 days?

Yes  No

Do you want to rely on Medicaid?

Yes  No

Do you want to be dependent upon family or friends for care?

Yes  No



## Why Should I Consider Insurance?

### It's The Most Efficient Way To Preserve Your Retirement.

Asset protection is essential to financial stability. You have likely taken steps to ensure your financial well-being in the event of accidents. You may have life and health insurance, as well as insurance for your home and car. These are practical approaches to transferring some of the risk of unwelcome expenses away from you and your loved ones.



Long term care insurance can provide more quality time for you and your family and protect your assets and savings, while giving you the options necessary to receive quality care and services.

Perhaps the greatest benefit: long term care insurance can allow your loved ones to care ABOUT YOU...instead of having to care FOR YOU.

### Have you taken steps to help protect yourself against potential long term care costs, as you have with other risks?

Is there any greater risk you face besides the costs of long term care?

If yes,

How would you prefer to pay for the high costs of long term care?

- Personal savings and assets
- Insurance



## Why Should I Consider Insurance?

If you or your partner/spouse has a birthday approaching in the next two to three months, now is a smart time to consider applying for long term care insurance coverage. Rates are based on your “attained age,” which means you’ll pay more for the same coverage if you wait until after your birthday to apply.

Changes in health happen, and no one can predict when. Your health at the time you apply is a key variable in calculating the premium you’ll have to pay. If you are healthy today, you may be able to save 10–20% on your premium.

You can save by being married. Most long term care insurance policies offer some form of a “couples/partners” discount that may enable you to save 10-15% if you are married but applying alone, and up to 40% if you and your spouse apply at the same time and are approved together.



## What Is My Next Step?

Planning ahead for your potential long term care needs is an essential part of any comprehensive retirement plan. If you ever need care, the purchase of an long term care policy will turn out to be one of the smartest decisions you have ever made.



**Contact me today to schedule an appointment. Let’s discuss your...**

- Coverage Costs / Options
- Potential Discounts / Qualifications
- Current Health Condition

Business card here

